



IEDC BOARD OF DIRECTORS

3.12.2015



Finish. First.

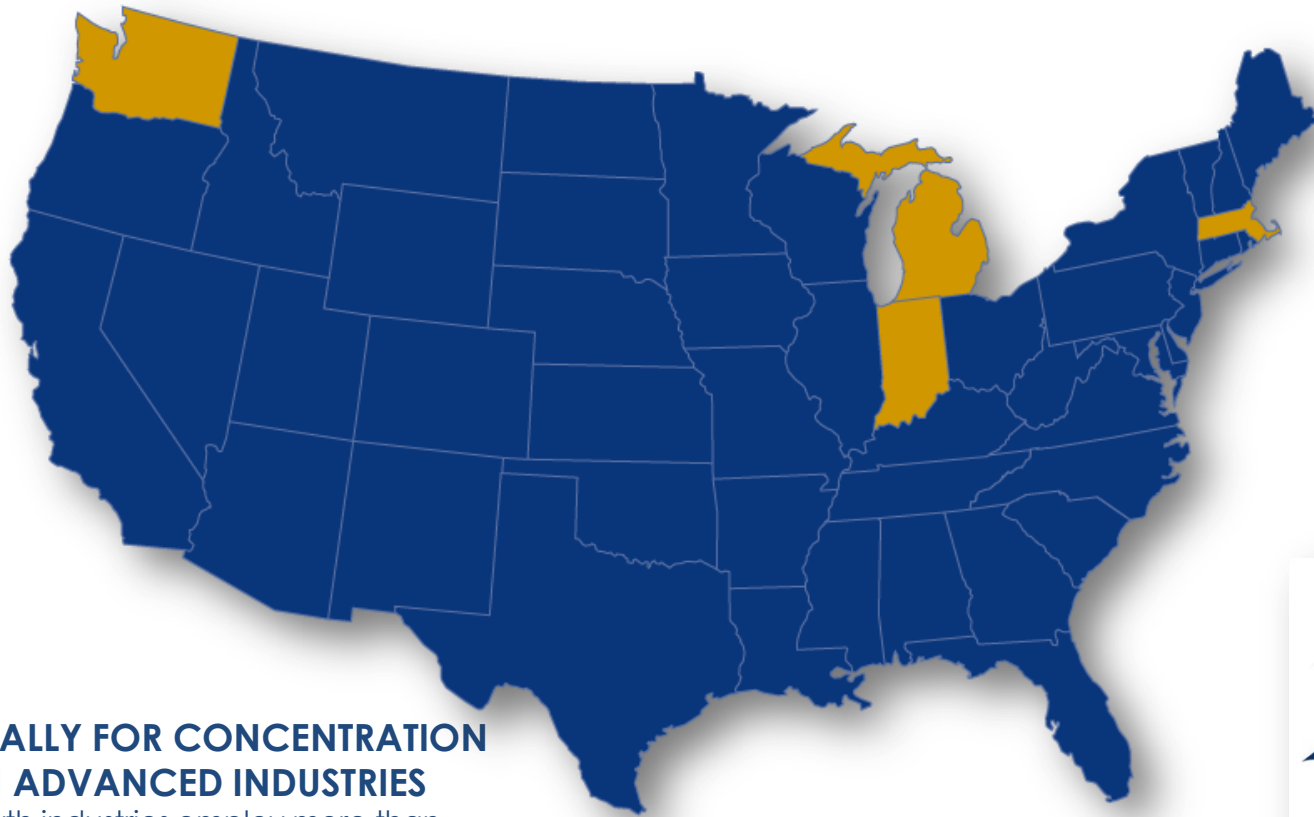
DANE MILLER

REMEMBERING AN INNOVATOR



"Today Indiana lost a giant in the passing of Dane Miller. Dane Miller, co-founder of Biomet in Warsaw, was one of our state's most successful entrepreneurs, a pioneer in the orthopedic industry, and he will be deeply missed." –Governor Mike Pence

INDIANA RANKS IN TOP FIVE FOR HIGH-TECH RELATED JOBS



**4th NATIONALLY FOR CONCENTRATION
OF JOBS IN ADVANCED INDUSTRIES**

The high-growth industries employ more than
11 percent of the state's workforce

TELLING INDIANA'S STORY ABROAD

ISRAEL (Dec. 29-31)

- ▶ Governor Mike Pence took a **three-day jobs mission to Israel** to meet with government and business leaders and expand economic ties between Indiana and Israel
- ▶ The Governor met with **Israeli Prime Minister Benjamin Netanyahu** and other government officials, including Israeli Minister of Economy Naftali Bennett, Israeli Minister of Defense Moshe Ya'alon, Israeli Chief Scientist Avi Hasson and U.S. Ambassador to Israel Daniel Shapiro
- ▶ The Governor also hosted two "Invest in Indiana" events in Tel Aviv attended by more than **150 Israeli business and government executives** and in Tel Aviv and Jerusalem met with **leaders of Israeli companies** and **potential investors** in key innovation sectors, including life sciences, technology and advanced manufacturing

Governor Mike Pence greets Israeli executives at a luncheon and meets with leaders of Israel Aerospace Industries in Tel Aviv.



TELLING INDIANA'S STORY ABROAD

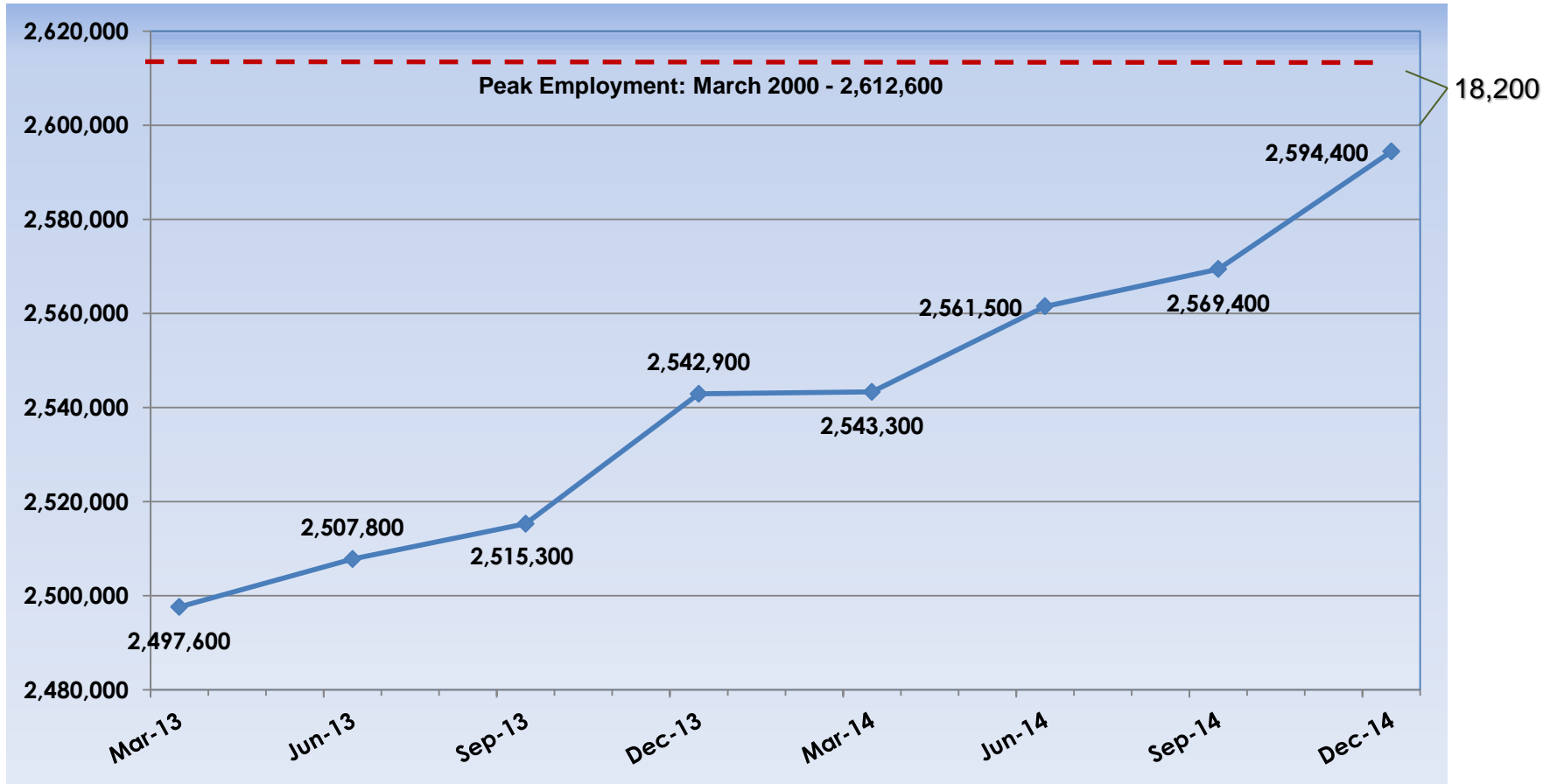
DIVERSIFYING INDIANA'S ECONOMY

- ▶ Last July, Governor Pence led a **jobs and economic development mission** to the **United Kingdom** and attended the **Farnborough International Airshow** to meet with aviation executives, including **GE Aviation, Rolls-Royce, Alcoa** and **Raytheon**
- ▶ At the airshow, the Governor met with **Raytheon Chairman & CEO Tom Kennedy** and **former-Chairman Bill Swanson** to discuss the company's need to consolidate operations. The Governor made the case directly to the company's top executives why Raytheon should choose to consolidate operations to Indianapolis
- ▶ Earlier this week, Governor Pence joined Raytheon executives to announce the aerospace and defense leader's plans to **grow its Indianapolis operations, creating 250 new jobs** over the next few years

Last summer, Governor Pence met with Raytheon's top executives at the Farnborough International Airshow to share why Indiana is a state that works.



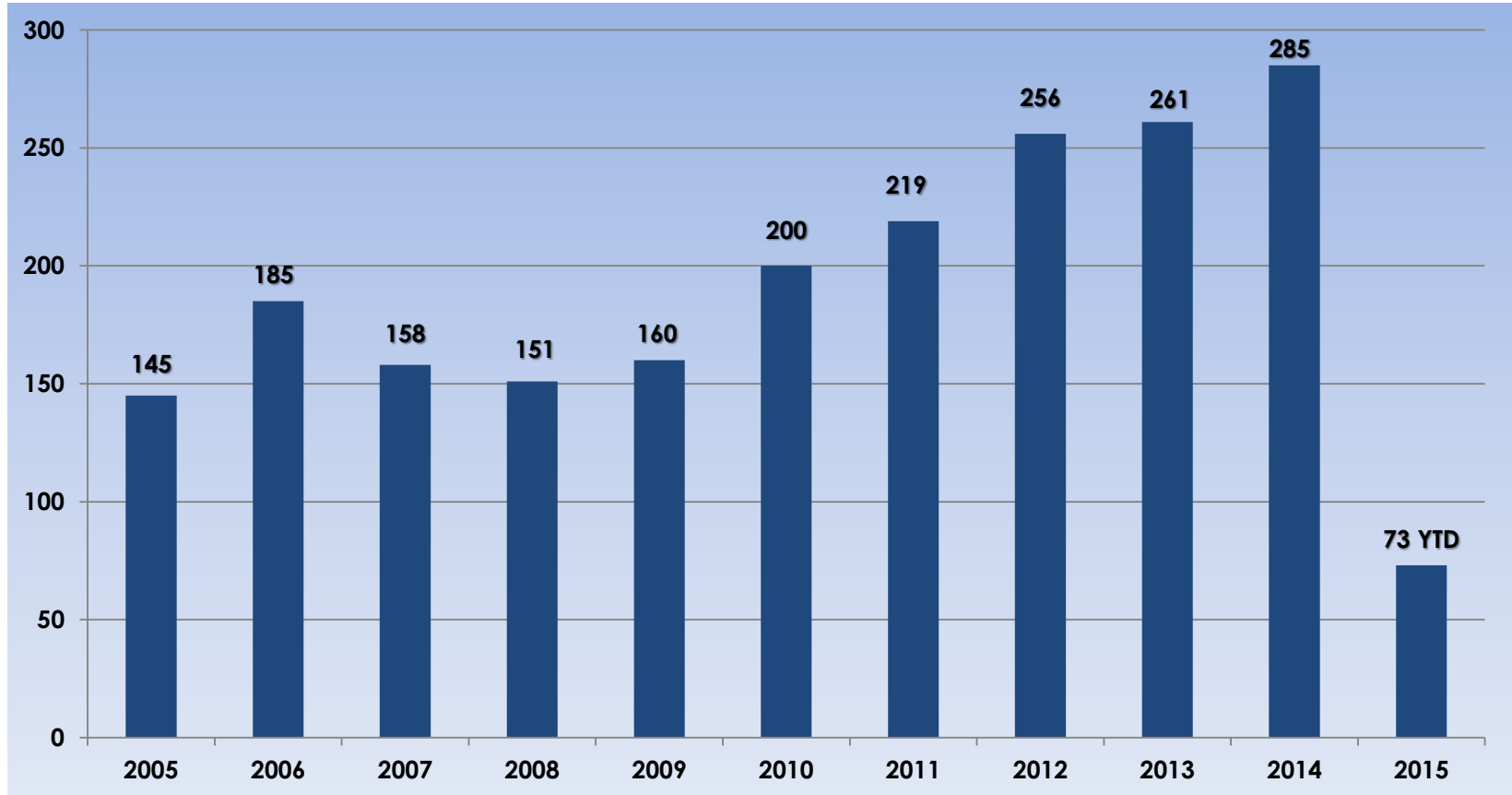
PRIVATE SECTOR EMPLOYMENT



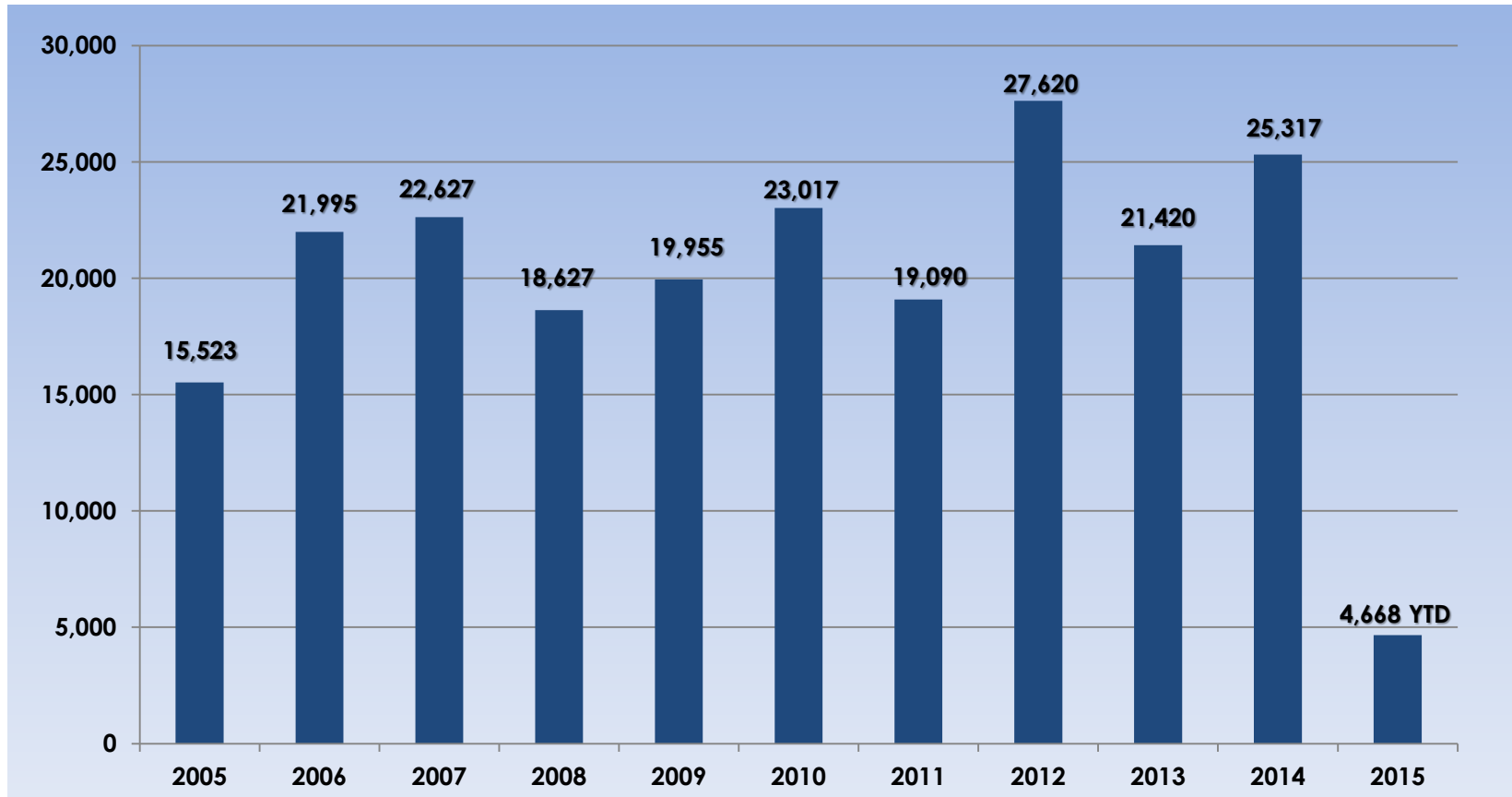
Source: Current Employment
Statistics (CES) data set

Confidential - Draft 7

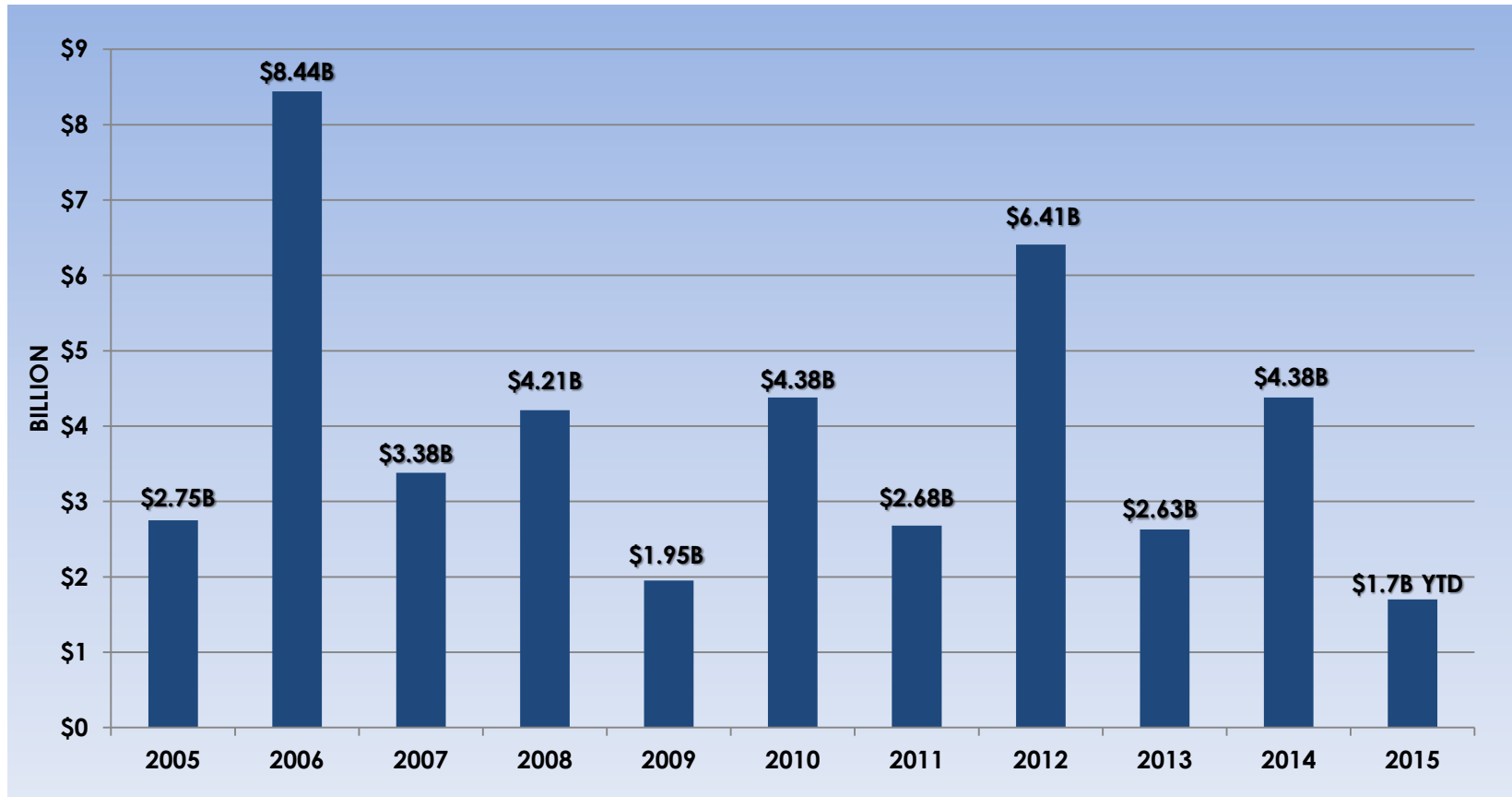
TOTAL COMPETITIVE PROJECTS



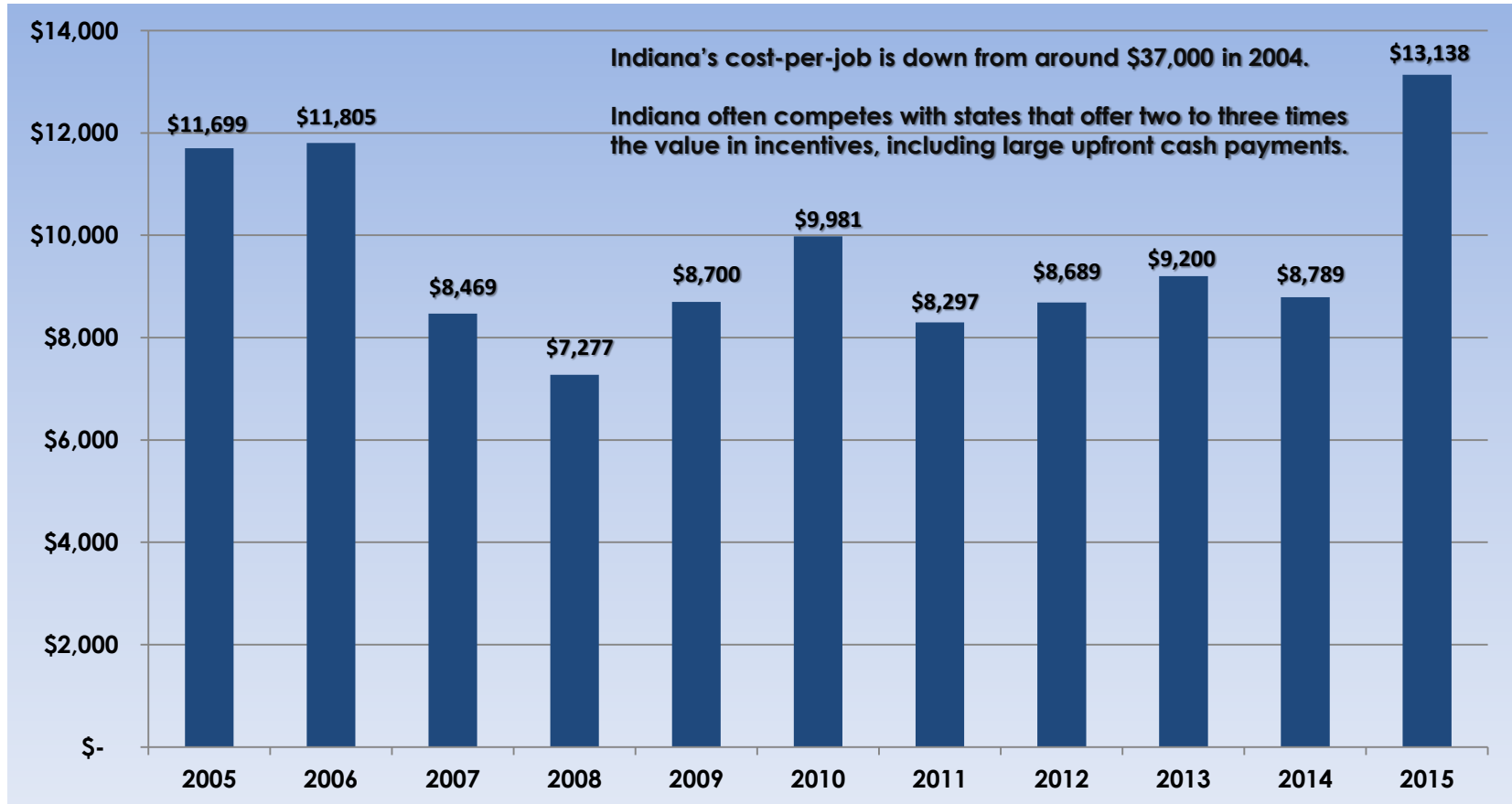
PRIVATE SECTOR JOB PROJECTIONS



PRIVATE SECTOR INVESTMENT PROJECTIONS

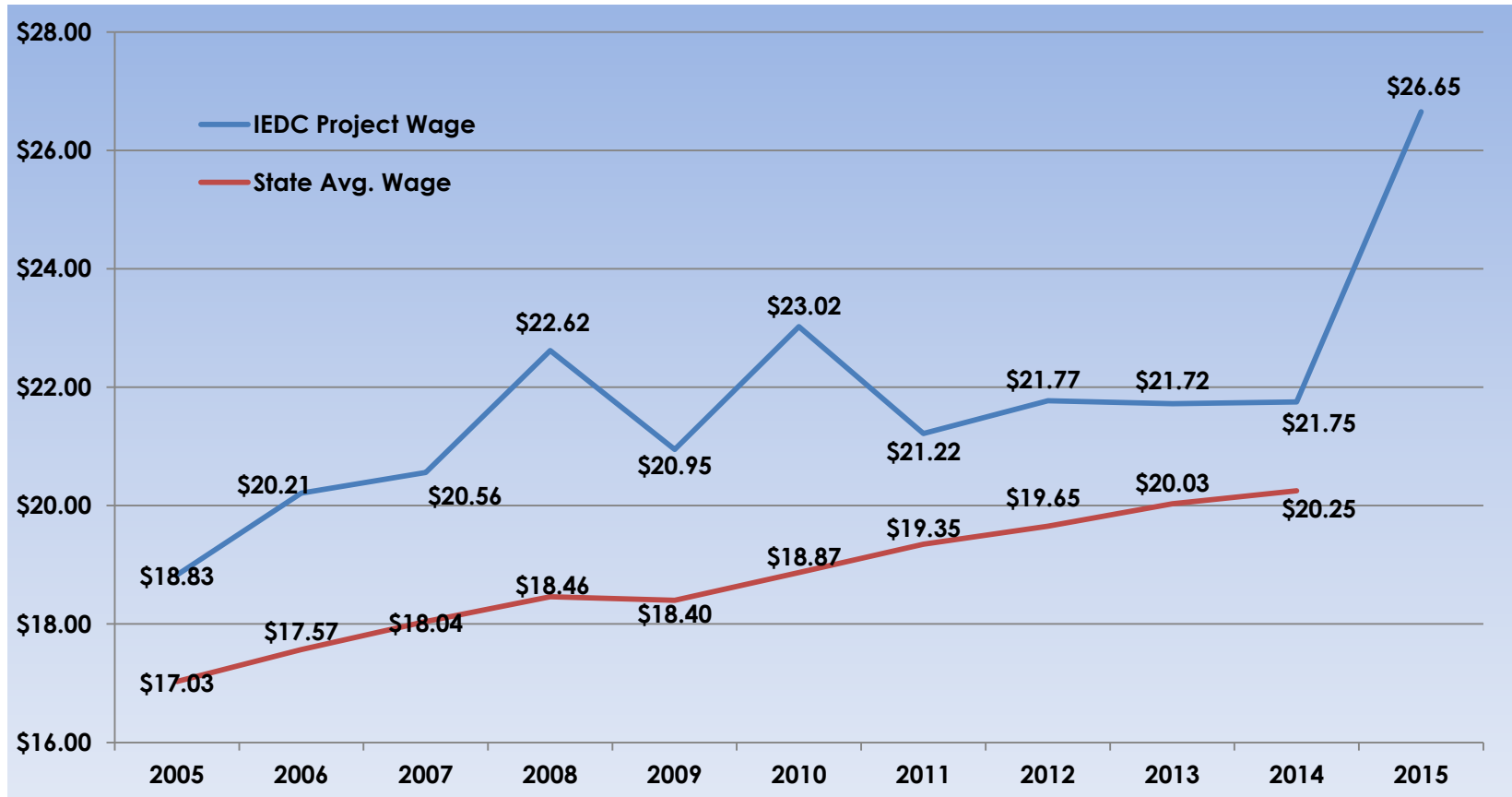


CONDITIONAL INCENTIVES PER JOB



YTD as of 3.6.15

HOOSIER AVERAGE WAGE



PROJECT WIN REPORT

ITALY-BASED OMR AUTOMOTIVE SELECTS INDIANA FOR ITS
FIRST NORTH AMERICAN PRESENCE



PROJECT WIN REPORT

OMR AUTOMOTIVE, *BRESCIA, ITALY*

- ▶ OMR, a Fiat Group tier 1 automotive supplier, selected Speedway, Indiana for its North American headquarters, creating 60 new jobs.
- ▶ The company will invest \$10 million to construct a facility on its 2.5 acre campus. The company also purchased an additional 2.5 acres for future expansion opportunities.
- ▶ OMR also considered Michigan for the investment.
- ▶ **Key Deal Factors:** The company recently secured an order from Chrysler to furnish cast aluminum oil pans for the North American market. Additionally, OMR has a long relationship with Dallara, which also encouraged the company to consider Indiana.

“Our team looked across the region for a place that would maximize growth opportunities for our world-class manufacturing operations, building parts in cars on roads all around the world today. We were impressed with the tax structure and affordable business climate in Indiana and look forward to a long future here.”

- Marco Bonometti, chairman of OMR



Governor Mike Pence talks with OMR executives about its new Speedway facility at the 2015 North American International Auto Show in Detroit.

PROJECT LOSS

COLSON GROUP HOLDINGS

- ▶ Colson Group, the largest caster manufacturer in the world, considered establishing a national distribution center in either Portage, Indiana or St. Joseph, Michigan.
- ▶ The project anticipated 63 new jobs, earning more than \$21 per hour and \$450,000 capital investment.
- ▶ The company was impressed with the state and its overall tax structure and local support. However, Colson chose to consolidate to St. Joseph because:
 - ▶ The company preferred to locate the national distribution center as close as possible to its existing manufacturing site in St. Joseph.
 - ▶ Michigan eliminated its personal property tax in 2014.
 - ▶ Indiana's incentive offer was higher at \$10,000 per job compared with Michigan's offer at \$7,000 per job. However, the company liked Michigan's incentives better because it can claim them in a shorter amount of time (two years).





MARKETING UPDATE

INTERNATIONAL WEBSITE LAUNCHED

- ▶ InvestIndiana.com is a multi-language website promoting foreign direct investment in Indiana

JAPANESE DIGITAL MARKETING

- ▶ 20 million impressions (as of March 10)
- ▶ Average click through rate is .26% (which is three times higher than the industry standard of .06%)

A STATE THAT WORKS FOR ME CAMPAIGN

- ▶ NCAA digital billboards
- ▶ The Economist
- ▶ Forbes
- ▶ AStateThatWorks.com
- ▶ Social media



LEGISLATIVE UPDATE

ITEMS *ON TRACK*

REGIONAL CITIES INITIATIVE (Governor's agenda bill)

- ▶ HB 1403 continues moving with bi-partisan support
- ▶ No consensus yet on method of funding but confident of success

TELLING INDIANA'S STORY

- ▶ 5th-best business climate in the nation
- ▶ On track for \$7.4M in funding (+\$4.4M) to promote the state

STREAMLINED APPROVAL PROCESS FOR 21ST CENTURY FUND

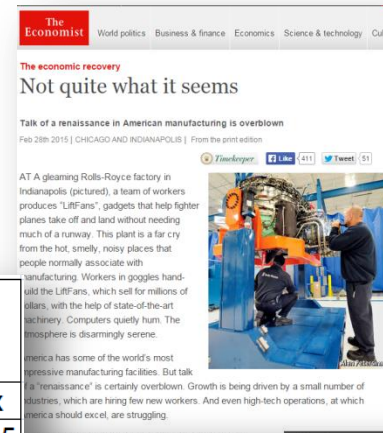
- ▶ Pending language would restructure the State Budget Committee role to be consistent with the IEDC Board
- ▶ Budget Committee would review investment policy rather than individual deals

LEGISLATIVE UPDATE

ITEMS NEEDING WORK

MODERNIZING TOOLS FOR CAPITAL-INTENSIVE PROJECTS

IEDC Projects ≥ \$25 M Capex and ≤ 40 New Jobs				
	# Projects	Capex	New Jobs	New Jobs/\$1 B of Capex
2012	4	\$232,517,000	43	185
2013	8	\$679,780,000	94	138
2014	10	\$1,419,255,340	176	124



THE ECONOMIST | February 28, 2015
 “America has some of the world’s most impressive manufacturing facilities. But talk of a “renaissance” is certainly overblown. Growth is being driven by a small number of industries, which are hiring few new workers.”

FUNDING FOR INDUSTRIAL DEVELOPMENT GRANT FUND (IDGF)

- ▶ Given changing dynamic toward capital-intense projects, support for local infrastructure must be maintained

MODERNIZING HOOSIER BUSINESS INVESTMENT (HBI) CREDIT

- ▶ The IEDC believes this program should better reflect the state's desire to compete for significant and strategic capital investment opportunities

THANK YOU, ERIC DODEN, FOR YOUR SERVICE



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